



# State of Utah

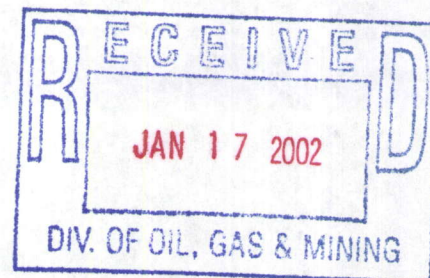
*School and Institutional*  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

Stephen G. Boyden  
Director

675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
<http://www.trustlands.com>

January 16, 2002



CERTIFIED MAIL NO. 7106 4575 1292 2028 4034

Mrs. Lanny Jensen  
598 West 300 North  
Richfield, UT 84701

RE: Mineral Materials Permit ML 47868-MP  
DOGM Permit # S/039/009

Dear Mrs. Jensen,

I was very sorry to hear of the passing of your husband. I found Lanny to be honorable in all of his business dealings with the Trust Lands Administration and he will be missed. I hope that you have been able to cope with all of the problems and responsibilities that have come your way with Lanny's illness and passing. I really hate to add to your grief at this time, but there are some issues that must be attended regarding Lanny's state minerals contract, ML 47868-MP, on the Mayfield quarry site.

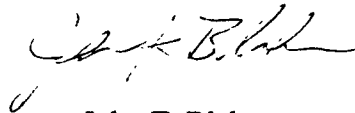
First, it is my understanding that you sons have continued to operate the Mayfield quarry and royalty payments to the Trust Lands Administration may have fallen in arrears. The terms and conditions of ML 47868-MP require that production and royalties be reported and paid to the Trust Lands Administration not later than the last day of the month next following the month of production. The last report submitted was for the month of June, 2001. No reports have been received for production occurring July thru December, 2001. I am enclosing several copies of the required production reporting form. Please fill out and submit the forms, one for each month, to declare production occurring for the period in question. Royalty payment is due at 10% of the gross sales value of the stone sold and shipped, or \$10.00 per ton, whichever amount is greater. If you will submit reports and royalty payments within the next thirty days to bring the contract current I will ask the Director to waive any interest penalties that may have accrued.

Second, permits and approvals to mine are still in Lanny's name on the records of the Trust Lands Administration. There are three basic documents needed to operate the property: 1) a valid Mineral Materials Permit from the Trust Lands Administration (ML 47868-MP); 2) a mining permit from the Division of Oil, Gas & Mining (S/039/009); and, 3) a written occupancy agreement and waiver of damages entered with the surface owner of the lands (Gerald Willden).

1. I am enclosing an assignment form to transfer the ownership of ML 47868-MP. This should be filled out and submitted to the Trust Lands Administration along with a copy of a legal document showing the disposition of this asset from Lanny's estate. The new owner of the leasehold should execute the Acceptance of Assignment contained in the enclosed form. A processing fee of \$30.00 must be paid for the assignment of title.
2. Please immediately contact Lynn Kunzler at the Division of Oil, Gas & Mining to discuss a transfer of DOGM mining permit # S/039/009 into the name of the new owner or operator of the Mayfield quarry.
3. Please contact the surface owner, Gerald Willden, and execute a new agreement for surface occupancy of the Mayfield quarry and a waiver of damages to the surface. Such agreement must be signed by Mr. Willden and by the new quarry owner or operator and a copy must be submitted to the Trust Lands Administration to allow continued mining operations upon the lands.
4. Mineral Materials Permit ML 47868-MP requires Permittee to pay an advance rental of \$10,000.00, due February 1, 2002. Advance rental payments may be credited against actual production royalties accruing during the permit-year. The accounting group has already sent a courtesy billing to your address for the annual rentals. Failure to timely pay advance rentals for the new permit-year may result in penalties or cancellation of the permit.

Please contact me if you have questions regarding any of these issues. Again, please accept my deepest regards for Lanny and for your continued success and well being.

Sincerely,



John T. Blake  
Mineral Resources Specialist

CC Lynn Kunzler